

## Message Text

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TO USINT ALGIERS IMMEDIATE

C O N F I D E N T I A L STATE 087746

TOSEC 44, S/S FOR ATHERTON

FOLLOWING TEHRAN 3368 ACTION SECSTATE APR 29TH.

QUOTE:

C O N F I D E N T I A L TEHRAN 3368

E.O. 11652: GDS

TAGS: PINT, IR

SUBJECT: MASSIVE IRANIAN MINISTERIAL SHAKEUP

SUMMARY: IN LARGEST MINISTERIAL-LEVEL SHAKEUP IN OVER A DECADE GOVT OF IRAN ON APRIL 27 ANNOUNCED DEPARTURE FROM CABINET OF EIGHT MINISTERS, APPOINTMENT OF TEN NEW MINISTERS, RESHUFFLING OF RESPONSIBILITIES OF THREE OTHERS, AND CREATION OR AMALGAMATION OF EIGHT NEW MINISTRIES. THIS MOVE REPORTEDLY FOLLOWS FREER HAND GIVEN PRIMIN HOVEYDA BY SHAH TO ENABLE GOVERNMENT TO BETTER CONTROL TWIN PROBLEMS OF INFLATION AND SHORTAGES AND APPEARS TO SHOW THAT REGIME IS PREPARING TO MOVE FURTHER TOWARD ESTABLISHMENT OF WELFARE STATE. SEVERAL CHANGES ARE RESULT OF PERSONAL RIVALRIES AND SHIFTING POWER RELATIONSHIPS, BUT IN GENERAL THE REORGANIZATION IS CONSISTENT WITH HOVEYDA'S PRACTICE OF STAFFING GOVERNMENT POSITIONS TO EXTENT POSSIBLE WITH HIS OWN MEN. COMING AS IT DOES AT TIME OF GROWING DOMESTIC ECONOMIC DIFFICULTIES, CABINET REORGANIZATION MAY INDICATE

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THAT PRIMIN HAS PUT HIS PRESTIGE AND PERHAPS HIS FUTURE ON

THE LINE.END SUMMARY

1. AS ANNOUNCED APRIL 27, CABINET-LEVEL CHANGES ARE AS FOLLOWS:

A. NEWLY APPOINTED MINISTERS:

MINISTER OF HOUSING AND TOWN PLANNING HOMAYUN JABER-ANSARI  
MINISTER OF EDUCATION AHMAD HUSHANG SHARIFI  
MINISTER OF POST, TELEPHONE AND TELEGRAPH KARIM MOTAMEDI  
MINISTER OF INFORMATION AND TOURISM GHOLAM REZA KIANPUR  
MINISTER OF SCIENCE AND HIGHER EDUCATION ABDOL HOSSEIN SAMI'I  
MINISTER OF COOPERATIVE AND RURAL AFFAIRS REZA SADAQIANI  
MINISTER OF SOCIAL WELFARE SHOJAEDIN SHAIKHOESLAMIZADEH  
MINISTER OF COMMERCE FEREIDUN MAHDAVI  
MINISTER OF INDUSTRY AND MINES FARROKH NAJMABADI  
MINISTER OF STATE EZATOLLAH YAZDANPUANSH

B. NEW MINISTRIES CREATED OR COMBINED FROM OLD MINISTRIES:

MINISTRY OF ECONOMICS AND FINANCE  
MINISTRY OF INTERIOR AND CIVIL SERVICE AFFAIRS  
MINISTRY OF ENERGY  
MINISTRY OF SOCIAL WELFARE  
MINISTRY OF INFORMATION AND TOURISM  
MINISTRY OF COMMERCE  
MINISTRY OF INDUSTRY AND MINES  
MINISTRY OF HOUSING AND TOWN PLANNING

C. THUS NEW CABINET LOOKS LIKE THIS(NOT IN ORDER OF PRECEDENCE):

PRIME MINISTER AMIR ABBAS HOVEYDA  
MINISTER OF ECONOMICS AND FINANCE HUSHANG ANSAR  
FOREIGN MINISTER ABBAS ALI KHALATBARI  
MINISTER OF INTERIOR AND CIVIL SERVICE AFFAIRS JAMSHID AMUZEGAR  
MINISTER OF LABOR QASSEM MOINI  
WAR MIINISTER GEN REZA AZMIM  
MINISTER OF ARTS AND CULTURE MEHRDAD PAHLBOD  
MINISTER OF ROADS JAVAD SHAHRESTANI  
MINISTER OF JUSTICE SADEQ AHMADI  
MINISTER OF ENERGY IRAJ VAHIDI  
MINISTER OF HOUSING AND TOWN PLANNING HOMAYUN JABER ANSARI  
MINISTER OF EDUCATION AHMAD HUSHENG SHARIFI  
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MINISTER OF POST, TELEPHONE AND TELEGRAPH KARIM MOTAMEDI  
MINISTER OF INFORMATIONAND TOURISM GHOLAM REZA KIANPUR  
MINISTER OF HEALTH ANUSHIRAVAN PUYAN  
MINITER OF SCIENCE AND HIGHER EDUCATION ABDOL HOSSEIN SAMI'I  
MINISTER OF AGRICULTURE AND NATURAL RESOURCES MANSUR ROUHANI  
MINISTER OF COOPERATIVE AND RURAL AFFAIRS REZA SADAQIANI  
MINISTER OF SOCIAL WELFARE SHOJAEDDIN SHAIKHOESLAMIZADEH  
MINISTER COMMERCE FEREIDUN MAHDAVI

MINISTER OF INDUSTRY AND MINES FARROKH NAJMABADI  
MINISTERS OF STATE HADI MEDAYATI  
MANUCHEHR LALALI  
EZATOLLAH YAZDANPANAH  
SAFI ASFIA  
MINISTER OF STATE AND DIRECTOR OF THE PLAN AND BUDGET  
ORGANIZATION ABDOL MAJID MAJIDI

2. COMMENT: A. ACCORDING MINCOURT OFFICIAL, HOVEYDA WAS GIVEN FREER HAND BY HIM ABOUT TWO MONTHS AGO TO DEAL WITH WIDESPREAD AND INCREASINGLY SERIOUS PROBLEMS OF INFLATION AND SHORTAGES OF FOOD AND SUCH BUILDING MATERIALS AS CEMENT. PRIMIN REPUTEDLY STATED THAT CONTROL OF THESE PROBLEMS WOULD REQUIRE EXTENSIVE MINISTERIAL CHANGES AND SHAH AGREED IN ADVANCE THAT CHANGES COULD BE MADE. MOST SIGNIFICANT FACETS OF RESHUFFLE FROM POINT OF VIEW OF POLICY ARE IN FIELD OF ECONOMICS AND RELATED AREA OF WELFARE. CONSOLIDATION OF KEY MINISTRIES OF ECONOMY AND FINANCE AND AN IMPERIAL STATEMENT THAT NEW MINISTRIES OF COMMERCE AND OF MINES AND INDUSTRY MUST COORDINATE POLICIES THROUGH MINISTRY OF ECONOMICS AND FINANCE GIVES NEW ECONFIN MINISTER USHANG ANSAR NEAR COMPLETE CONTROL OF GOI'S ECONOMIC/FINANCIAL MECHANISM. NEW MINISTRY OF ENEGY WILL HAVE OVERALL RESPONSIBILITY FOR DEALING WITH OIL, GAS, THERMAL AND ATOMIC POWER, AND OTHER SOURCES OF ENERGY, ALTHOUGH EXISTING ORGNIZATIONS SUCH AS NIOC WILL CONTINUE TO FUNCTION. SOME REPONSIBILITIES CONNECTED WITH WATER RESOURCES WILL BE TRANSFERRED TO THE MINISTRY OF AGRICULTURE. DIVISION OF JURISDICTIONAL AUTHORITY WILL BECOME CLEARER WHEN REORGANIZATION BILL IS SUBMITTED TO PARLIAMENT IN NEAR FUTURE. ONLY OTHER WHOLLY NEW MINISTRIES CREATED, SOCIAL WELFARE, AND HOUSING AND TOWN PLANNING, APPEAR INTENDED TO PROVIDE GOVERNMENT STRUCTURE TO CARRY OUT FUTURE WELFARE PROGRAMS TO WHICH SHAH RECENTLY ALLUDED, SUGGESTING THAT, WITH ITS NEW WEALTH, IRAN WOULD SOON BE EQUAL OF

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SWEDEN IN TERMS OF GOVERNMENT-PROVIDED SOCIAL SERVICES.

B. SEVERAL SHIFTS APPEAR TO BE RESULT OF PERSONALIZED POWER STRUGGLES WHICH PERMEATE IRANIAN POLITICAL SYSTEM. MOST SIGNIFICANT OF THESE HAS APPARENTLY RESULTED IN DOWNGRADING OF FORMER MINFIN JAMSHID AMUZEGAR, A POWERFUL FIXTURE IN THE CABINET AND CONSIDERED FOR OVER A DECADE A POSSIBLE FUTURE PRIMIN. SOME OBSERVERS SPECULATE THAT AMUZEGAR WAS GIVEN MIN INTERIOR POSITION BECAUSE IT WILL BE INCREASINGLY IMPORTANT DURING FORTHCOMING PERIOD WHEN SOME GOVERNMENTAL AUTHORITY IS SCHEDULED TO BE DECENTRALIZED AND 1975 ELECTIONS MUST BE ORGANIZED. MOST, HOWEVERN CONCEDE HE HAS BEEN GIVEN A LESS IMPORTANT JOB AND WOULD APPEAR TO HAVE LESS RESPONSIBILITIES THAN HERETOFORE. SUPPLANTING HIM IS HUSHANG ANSARY WHO,

IN GAINING CONTROL OF BULK OF GOI ECONOMIC MACHINERY, HAS EVIDENTLY DEMONSTRATED THAT HE HAS OVERCOME RUMORED PAST DIFFICULTIES WITH HOVEYDA.

C. A SIMILAR RIVALRY INVOLVES THE ROUHANI-VLAIAN STRUGGLE FOR CONTROL OF IRAN'S AGRICULTURAL DEVELOPMENT. ROUHANI'S APARENT VICTORY MAY EVENTUALLY RESULT IN INCREASED GOI EMPHASIS ON AGRO-BUSINESS AS A SOLUTION TO IRAN'S AGRICULTURAL DIFFICULTIES, RATHER THAN VALIAN'S PREFERRED RURAL COOPERATIVE APPROACH. ROUHANI'S SURVIVAL IN THE CABINET AT A TIME WHEN HIS MINISTRY IS WIDELY BELIEVED TO BE RESPONSIBLE FOR THE CURRENT MEAT SHORTAGE DEMONSTRATES HIS CLOSE RELATIONSHIP WITH HOVEYDA. THE PRIME MINISTER, IN SUPPORTING ROUHANI IN FACE OF CONSIDERABLE POPULAR DISCONTENT, HAS SOWN HIS STRENGTH AND INFLUENCE WITH SHAH WHILE AT SAME TIME LEAVING ANOTHER CARD, ROUHANI'S CONTINUANCE IN OFFICE, TO BE PLAYED IF THE GOI REMAINS UNABLE TO CONTROL INFLATION AND SHORTAGES.

D. IT APPEARS THAT ALL NEW APPOINTEES WITH POSSIBLE EXCEPTION OF KIANPUR AND YAZDANPANAH ARE PERSONALLY BEHOLDEN TO HOVEYDA IN ONE WAY OR ANOTHER. IMPORTANT THING AT THIS STAGE IS THAT HOVEYDA HAS FOLLOWED TRADITIONAL PERSIAN PRACTICE OF STRENGTHENING HIS OWN POSITION BY OPTING FOR LOYALTY AT LEAST AS MUCH AS ABILITY IN CHOOSING HIS NEW MINISTERS. HOWEVER, AMONG HIS ELEVEN NEW FACES NINE ARE FOREIGN-EDUCATED (FOUR IN THE US) AND ALL CAN CALL ON PAST EXPERIENCE IN GOVERNMENT OR PROFESSIONAL FIELDS RELATED TO THEIR NEW RESPONSIBILITIES. PRIME MINISTER  
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MAY FIND THAT HE HAS NEED OF BOTH THEIR EXPERTISE AND THEIR LOYALTY AS, IN PROMISING THE SHAH THAT HE COULD CONTROL DOMESTIC ECONOMIC MATTERS IF GIVEN A FREE HAND, IT WOULD APPEAR THAT HOVEYDA HAS LAID HIS PRESTIGE AND PERHAPS HIS JOB ON THE LINE. INTERESTING TO NOTE IS THAT THIS MINISTERIAL REORGANIZATION HAS RESULTED IN SOMEWHAT MORE CONCENTRATED GOVERNMENTAL POWER IN HANDS OF PRIME MINISTER. BASICALLY, HOWEVER, WE WOULD EXPECT MAJOR POLICY DECISIONS TO CONTINUE TO BE MADE BY THE SHAH AND THAT FOREIGN AND DOMESTIC POLICY WILL MOVE ALONG WELL- ESTABLISHED LINES.

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